

VZCZCXYZ0008
OO RUEHWEB

DE RUEHGB #3922/01 3370724
ZNY SSSSS ZZH
O 030724Z DEC 07
FM AMEMBASSY BAGHDAD
TO RUEKJCS/SECDEF WASHINGTON DC IMMEDIATE
INFO RUEHC/SECSTATE WASHDC PRIORITY 4628

S E C R E T BAGHDAD 003922

SIPDIS

SIPDIS

OSD FOR SECRETARY GATES FROM CDA BUTENIS

E.O. 12958: DECL: 12/02/2017
TAGS: [PGOV](#) [PREL](#) [PINR](#) [PTER](#) [ASEC](#) [OVIP](#) [IZ](#)
SUBJECT: SCENESETTER FOR SECRETARY GATES' VISIT TO IRAQ

Classified By: Charge d'Affaires, a.i. Patricia A. Butenis for reasons
1.4(b) and (d).

11. (S) Dear Mr. Secretary: Your visit to Iraq comes at a critical time. Since the September testimony by the Ambassador and Gen. Petraeus, we have seen further progress on security: Anbar Province remains remarkably calm; the Sadr ceasefire continues -- in general -- to hold; the threat from Al-Qaeda in Iraq (AQI) has been diminished; the CLC program continues to flourish, though with some GOI reservations; and the Turkey-PKK crisis appears to be contained for the moment, though we will need to continue to press for political dialogue which includes the KRG. With GOI assistance, refugees are beginning to return to Iraq in increasing numbers, although their return may be due as much to economic necessity and dissatisfaction with their lot in neighboring Arab states as to improved security here in Iraq. On the political front, PM Maliki successfully weathered late-September attempts by the opposition to organize a no-confidence vote (although he may not be entirely out of those woods yet), and he has recently taken steps to fill the vacancies in his cabinet. Notwithstanding these positive developments, there has been relatively little movement on key legislation, and the 3-1 power sharing mechanism enshrined in the August 26th leaders' communique is essentially defunct -- primarily because relations between Maliki and Vice President Hashimi are at a nadir. Maliki remains a challenge for us as well: he did the right thing on the Strategic Partnership Declaration, the wrong thing on Annapolis, and is saying he will do the right thing -- not ask to open the resolution -- on UNSCR renewal while slow-rolling on the GOI letter. Your trip follows recent visits by Deputy Secretary Negroponte, S/I Ambassador

Satterfield and U/S Jeffrey, who, in tandem with Ambassador Crocker, have pressed the GOI leadership to take more meaningful steps on reconciliation. While anything you can do to reinforce those efforts will be appreciated, you will probably want to focus your efforts on persuading Maliki to stick with what he told Deputy Secretary Negroponte on December 1 -- when he agreed to not insist on addressing bilateral issues in the operative paragraphs of the UNSCR.

SECURITY

12. (S) A major factor in recent security gains has been the emergence of the "Concerned Local Citizens" (CLC) movement, now comprising roughly 65,000 personnel. We are working to obtain complete GOI buy-in to the program, and to ensure that CLCs remain committed to a secure and united Iraq. Since we forecast that only about 20 percent of CLC personnel will transition to permanent security-related careers in the Iraqi Security Forces (ISF), the Embassy and MNF-I are working to knit together various employment and training programs so that the other 80 percent can develop employment skills and

have access to advanced technical training. These programs currently include USAID's Community Stabilization Program (CSP), a pilot Community Service Corps (CSC) program (funded with CERP) and the DoD/GOI Joint Technical Education Reintegration Program, just getting off the ground. Our goal is to help beneficiaries, including CLC's, move from dependence on our programs to longer term GOI-directed opportunities, and in many cases to private sector employment. The GOI will be a major partner in this process, with the ultimate goal of GOI ownership and funding of these programs. New funding sources for the interim stage are urgently needed, however. The USAID CSP is currently funded only through September 2008; present burn rate projections indicate funds will be exhausted by mid-summer 2008. Unless additional funds are received, programs will begin to ramp down by no later than June 2008. At a ministerial level briefing on CLCs on December 1, MNF-I agreed to the Prime Minister's request not to develop CLCs in the southern provinces. At the conclusion of the brief the Prime Minister appeared to accept that the program was making an important contribution to security and that effective supervision was in place to identify the "bad apples."

¶3. (S) The Coalition is working closely with the GOI to establish and operate nation-wide programs to allow militia members to join the ISF or return to civilian life, but successful implementation remains localized and limited. The Coalition and other interested international organizations (UNAMI and IOM) are helping Iraqi parties to draw on programmatic advice and implementation resources to help design and implement re-integration. PM Maliki's recent announcement of re-hiring some former Ba'ath party cadres in recognition of their efforts to battle AQI and his reported pursuit of a general amnesty framework are both positive developments.

¶4. (S) While there has been significant success in isolating AQI and other Sunni irreconcilable elements in Anbar and other areas, some in the Sunni community still lack confidence that the Shia-majority government will protect their interests; others fear attacks by Badr/JAM militias and government-affiliated death squads; and, in the north, many reject Kurdish expansionism. As a result, some Sunnis continue to look to AQI and the insurgency for protection. Among the Shia, the combination of JAM's attacks on Karbala's Shia shrines, a reduced level of reciprocal sectarian killing, and the mafia-style tactics of some Sadrist elements have combined to diminish Jam's public prestige. Moqtada al-Sadr's six-month "freeze" order has slowed but not stopped JAM violence. Just as some Sunnis continue to look to AQI and other extremists for protection, some in the Shia community either seek or are obliged to seek the same from JAM, Badr, and local gangs rather than GOI security personnel who should be seen as the guarantors of public law and order, the bedrock of good governance.

SPD/UNSCR/SOFA

¶5. (S) With the signing of the Strategic Partnership Declaration (SPD) on November 26, we must now concentrate on the renewal of the UNSCR to continue Coalition Forces operating authorities. We expect negotiations with the GOI to be intense, though we do not expect them to go down the wire to the December 31 deadline. The GOI has been adamant that there not be another Chapter VII resolution after 2008. We have underscored to our interlocutors that the next UNSCR must grant essentially the same authorities as the present resolution to permit Coalition Forces to continue operations crucial to security in Iraq. Underlying the negotiating process will be the need to allay deep GOI anxieties about the UNSCR undermining Iraqi sovereignty. PM Maliki's closest security advisors, particularly National Security Advisor Muwafaq Rubaie, see themselves as the standard bearers for sovereignty, and they have been empowered by the PM to negotiate in this vein. Of deep concern to us now is Maliki's desire to reopen the operative paragraphs for negotiation. By the time of your arrival, we hope to have persuaded the PM that what is needed is a simple rollover;

bilateral issues should be negotiated bilaterally. You should urge PM Maliki to conclude negotiations on UNSCR renewal as quickly as possible, to enable both sides to concentrate on the real work to be done, the negotiation of a SOFA in the first half of 2008. A negotiating team is tentatively scheduled to arrive in Baghdad in January to begin this long process.

IRAN TRILATERAL

¶16. (S) Iran trilateral talks which we agreed to take part in o/a November 24 did not take place, and the GOI continues to seek alternative dates from Tehran. We hope that these talks will take place sometime in the next few weeks, allowing us to raise directly with the Iranians our concerns about Iranian-provided lethal aid to illegal armed groups in Iraq. Recent interrogations of detained JAM Special Groups members have clearly established that the IRGC Qods Force has continued to provide weapons training in Iran for Iraqi militants since the purported promise by the Iranian leadership to PM Maliki to cut lethal aid flowing into Iraq. MNF-I released nine Iranians from detention in mid-November (including two members of the IRGC-QF from the Irbil Five) in an effort to create a more positive atmosphere in which the talks could occur.

FOREIGN TERRORISTS & FACILITATORS

¶17. (S) The flow of foreign terrorists into Iraq continues to be of great concern, underscored by the treasure trove of Objective Massey documents obtained from the principal AQI facilitator of foreign terrorist flow from Syria, Abu Muthana, killed by Coalition Forces in mid-September. This information details the identities of some 800 foreign terrorists who entered Iraq in a 13-month period. Of note was the number of individuals from Libya and North Africa, particularly Tunisia, who had entered Iraq, which comprised approximately 40% of all foreign terrorists rather than 20% as previously estimated. PM Maliki is scheduled to be briefed December 3 on intelligence derived from Objective Massey, which has already been shared with services within Iraq and throughout the region. Iraq has been engaging Syria on this and other issues bilaterally and we are seeking to facilitate regional cooperation through the Border Security Working Group, part of the Neighbors Process. You may wish to query Interior Minister Bulani on his views of Syrian and source country efforts to stem the flow of foreign terrorists; he traveled to Damascus and to a regional

interior ministers meeting in Kuwait in October.

TURKEY/PKK/KGK

¶18. (S) Your Iraqi counterpart,s recent trip to Ankara and the subsequent trilateral meeting in Istanbul succeeded in demonstrating to the Turks that both the GOI and USG are serious in tackling the problem of the PKK/KGK presence in Iraq. Continued PKK violence is fueling Turkish frustration and generating pressure for kinetic action. Our ability to convince them to continue to exercise restraint is diminishing, although it does appear that any Turkish cross border operation would be limited in scope and would not destabilize the KRG.

¶19. (S) Your trip is a prime opportunity to express USG appreciation for measures and actions by the authorities in the north and in Baghdad to curtail PKK/KGK activities. These measures are a good start, but our interlocutors need to hear that these actions must be sustained and augmented. While Turkey has said it is not interested in a PKK/KGK ceasefire, every attack by the terrorists increases the likelihood of the Turks taking action on their own. The PKK/KGK needs to lay down their arms. PKK/KGK leaders should be arrested, but to detain and release these individuals would only make matters worse. Those detained should either

stand trial in Iraq or be sent back to Turkey. We are working on ideas to prevent financial flows to the PKK/KGK in Iraq, and considering requests to train airport personnel to prevent the transit of PKK/KGK personnel through Irbil airport.

RETURN OF REFUGEES

¶10. (S) A mixed batch of approximately 450 Sunni and Shia refugees returned to Baghdad from Syria on November 28. Iraqi ministers were on hand to greet the refugees upon arrival, and the GOI provided each family with one million dinars (approximately USD \$800). USAID will follow up with the Iraqi Ministry of Displacement and Migration to assess and monitor the needs of the returnees. Meanwhile, the Iraqis are assimilating lessons learned from the return of this first tranche of refugees, in preparation for future refugee returns.

DYSFUNCTIONAL GOVERNMENT

¶11. (S) Of the 36 cabinet seats within the Maliki government, a healthy chunk remain empty due to walk-outs by the Sunni Tawafuq bloc, the Sadrist bloc, the Iraqiya bloc, and Fadilah. Their complaints vary but all remain deeply suspicious of Maliki and his backers, complaining that their ability to affect change or deliver services to their constituencies was severely hampered by the Prime Minister. Talks have just started with Tawafuq to return to government, and a group of technocratic nominees may be sent to the Parliament soon to replace the other parties. With the Shia and Kurdish alliance keeping the government afloat, Maliki has had little incentive to be flexible or conciliatory. In the wake of the security surge, however, political conditions have altered just enough to perhaps allow for a new coalition of parties and ministers led by Maliki, pursuing a less sectarian agenda. The litmus test, of course, will be this coalition's ability to achieve passage of benchmark legislation and meaningful reconciliation. Meanwhile, local developments in the provinces continue to outpace the central government's ability to define the national political agenda.

LEGISLATIVE UPDATE

¶12. (S) De-Baathification: A second reading of the De-Baathification Law took place December 1. Our next task will be to get the law to a third and final reading/vote before the Council of Representatives is unable to muster a quorum due to the hajj, which begins at the end of the first full week of December.

¶13. (S) Elections Law: The PM's office (PMO) has prepared a partial working draft, but feels little urgency to complete its work -- in large part because neither Da'wa nor its principal allies (ISCI and the Kurds) stand to gain by holding early provincial elections.

¶14. (S) Provincial Powers Law: At least two drafts of the law are reportedly with the Shura Council for legal review. The drafts have apparently stalled there due largely to opposition from PM Maliki, who believes the current drafts concede too much power to the provinces.

¶15. (S) CPA 17: The Council of Ministers approved a draft law rescinding CPA 17 but it has not yet been submitted to the CoR. Given widespread public support for asserting Iraqi sovereignty over private security firms, once the law is submitted it could move quickly through the normally hidebound CoR procedures. We recommend that you reinforce with GOI officials USG concerns about the law and press them against sending it to the CoR. We also must continue to stress our concerns with Maliki and ask that the law be held in the PM's Office pending further bilateral discussion with the USG.

¶16. (S) Hydrocarbons: Hydrocarbons framework legislation remains stalled. PM Maliki, who repeatedly assured us that he had the votes for passage, now asserts the GOI should build a stronger consensus on the hydrocarbons package before proceeding. Left unchecked, Maliki's position will lead to further delays. Key decision-makers need to hear that it is time to stop quibbling about details, since every day that passes delays much-needed investment opportunities that would raise revenue in absolute terms for all of Iraq.

¶17. (S) The situation has not been helped by the KRG's passage of its own hydrocarbons law, nor by a raft of non-transparent, unilateral deals. The KRG obtained a favorable arrangement in the February draft 2007 hydrocarbon law, and KRG PM Barzani is in need of a firm message to stop the stalling and finalize the deal agreed to in February, both to maximize potential economic returns to Iraq and to reinforce national unity. Finally, the national government and Oil Minister Shahrastani, in particular, need to stop sniping at the KRG and Barzani, and to stop trying to walk back the February compromise (by putting into question the ability of regions to conclude PSAs).

BEYOND THE GREEN ZONE

¶18. (S) Coalition capacity building efforts in the central and local government continues, focusing on supporting government activities that contribute to improved delivery of essential services and political reconciliation. A particular priority is ensuring that Sunni and mixed-population provinces no longer feel discriminated against by the central government. Governance issues contributing to poor service delivery include a weak and highly-centralized bureaucracy with poor coordination between Baghdad ministries and their provincial representatives. The Coalition, particularly through our PRTs, has facilitated better coordination, particularly in helping provincial officials better register their concerns and lobby the central government for release of funds and services.

¶19. (U) I look forward to welcoming you to Baghdad. Warm regards.
BUTENIS